

# State of the Florida Market

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# U.S. Residual Markets

## Fair Access to Insurance Requirements Plan Report

State	Policies in Force	Exposure (\$000)	% of Total Exposure
Florida	1,220,897	\$ 422,953,352	51%
California	261,421	\$ 209,808,071	25%
Massachusetts	197,177	\$ 90,572,584	11%
Louisiana	154,507	\$ 40,935,450	5%
North Carolina	218,506	\$ 33,404,590	4%
Texas	66,488	\$ 11,301,744	1%
New York	23,197	\$ 6,892,000	1%

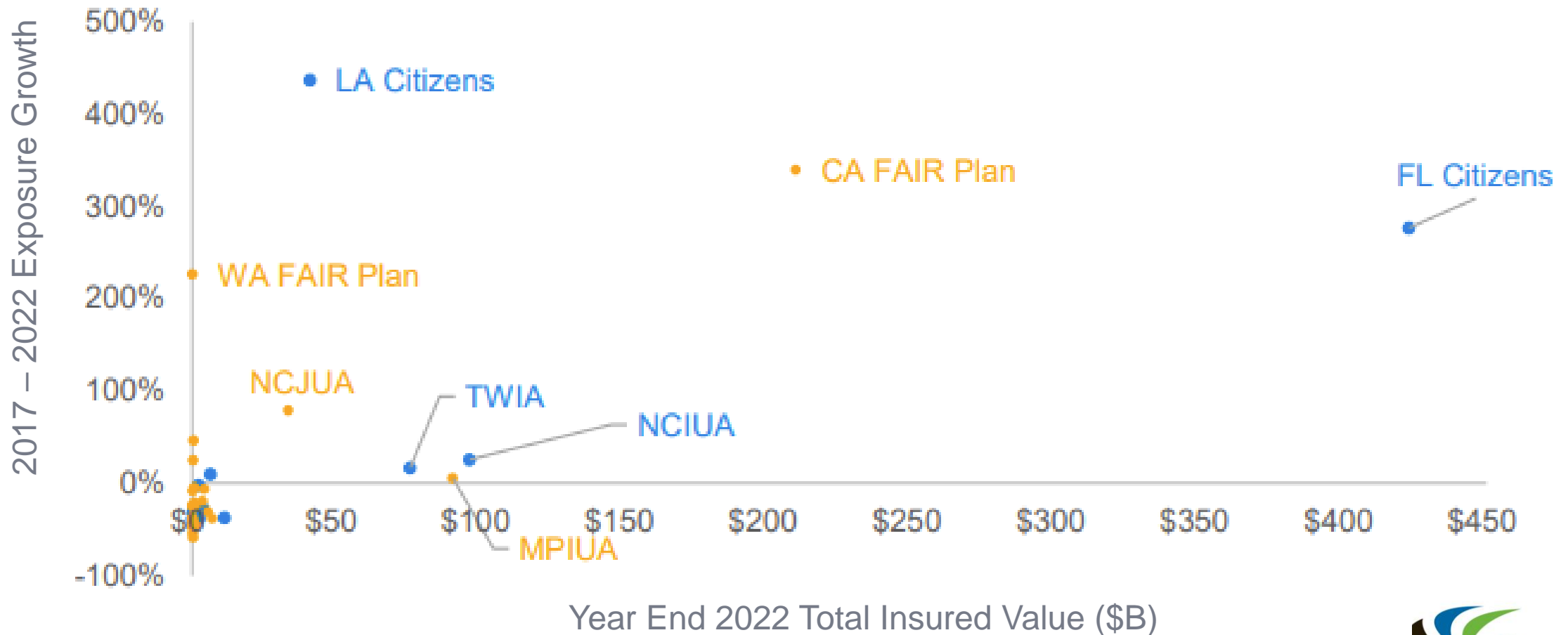
PIPSO Reports. (2023, June). Property Insurance Plans Service Office, Inc.



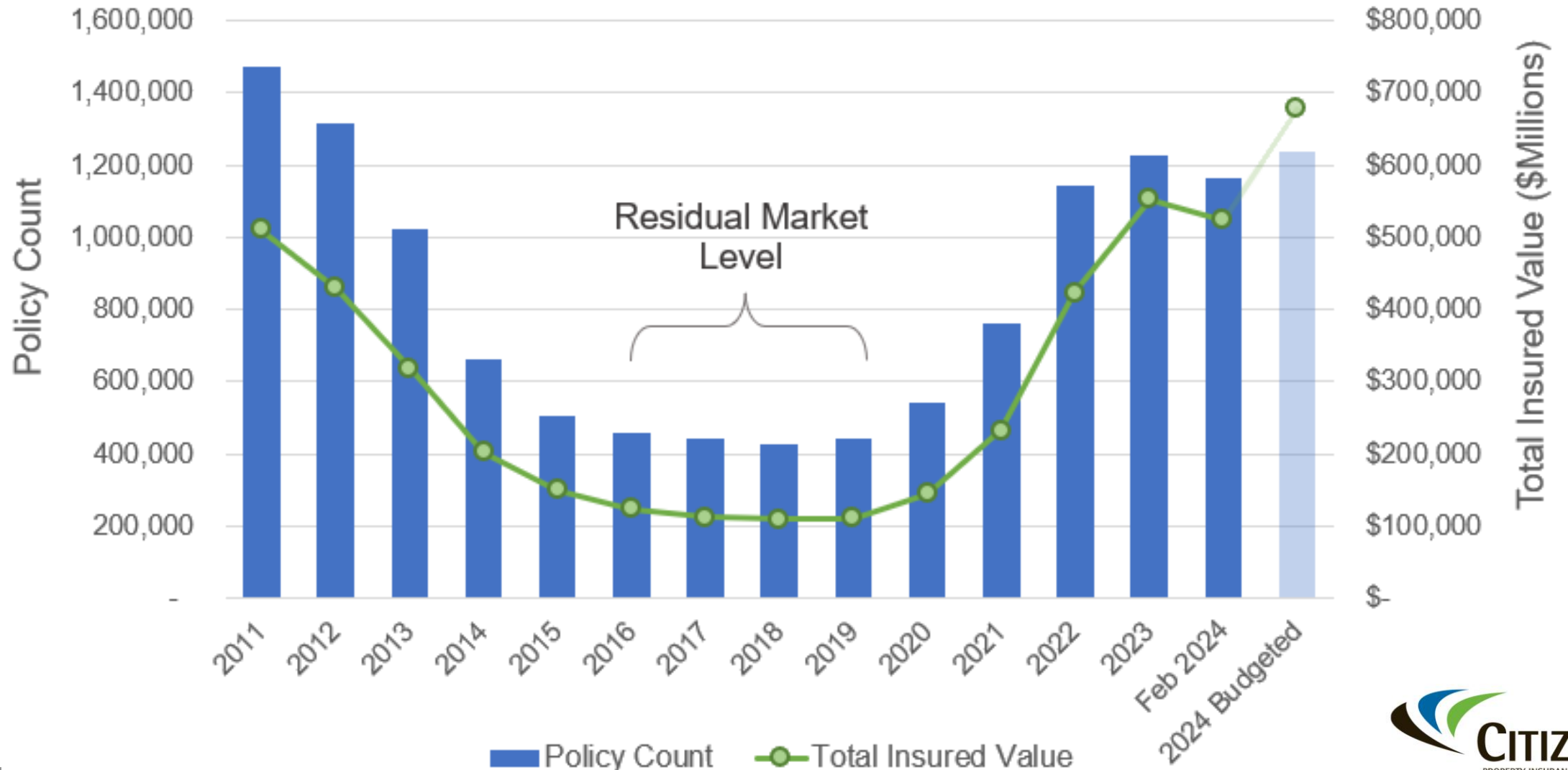
# U.S. Residential Market Plans Size and Growth

- Financial Burden is Shared

- Financial Burden Falls Solely on Insurers



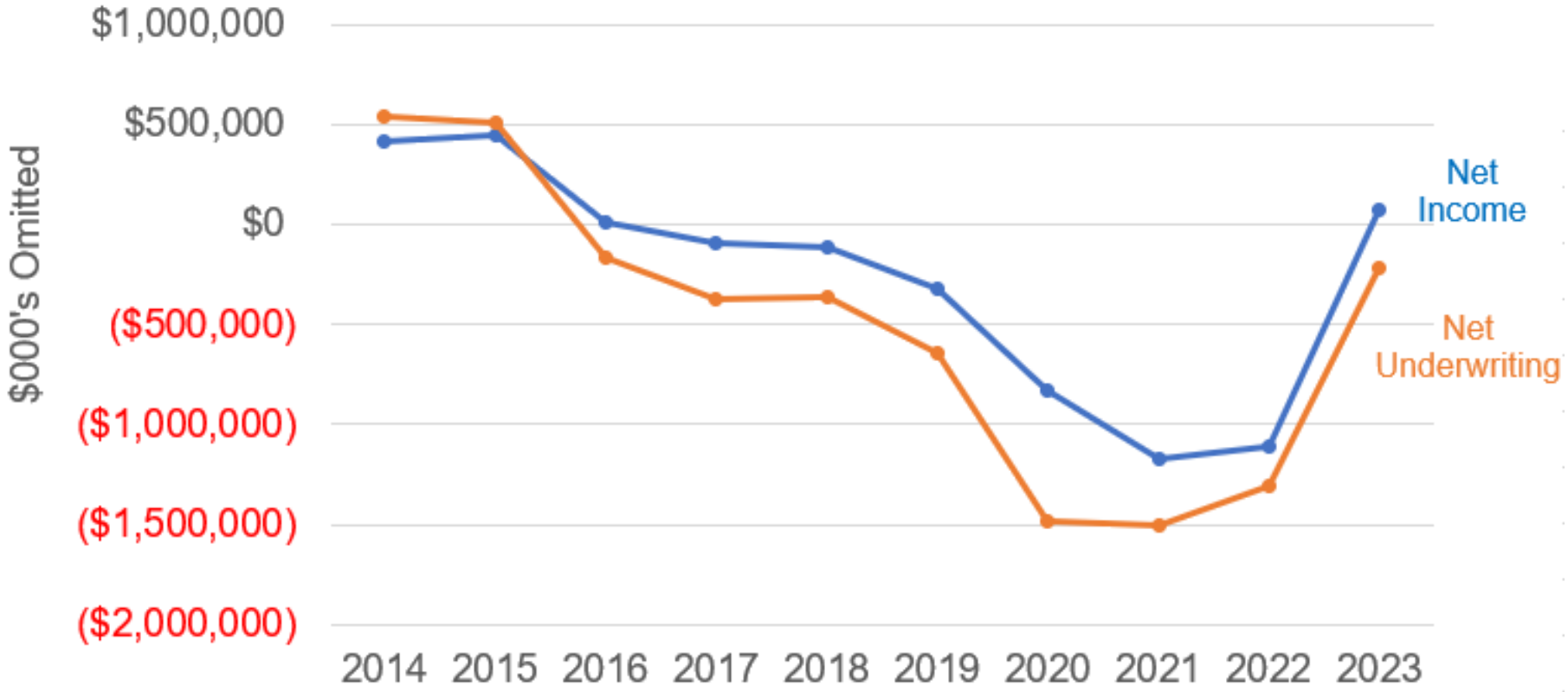
# Policy Count and Total Insured Value



# Early Signs of Property Insurance Market Improvement

- The Office of Insurance Regulation has approved 8 property insurance company actions, including 7 additional insurers.
- Increased depopulation activity.
- Companies are expanding new business in Florida.
- Citizens' new non-catastrophe litigated cases being filed through July 2023 were down 20% compared to 2022.
- Reinsurance availability for the 2023 hurricane season was more favorable than initially anticipated.

# State of the Market



Source: S&P Global Market Intelligence



# Financials for Selected FL Property Insurers

Insolvent Carriers are Included (\$000)

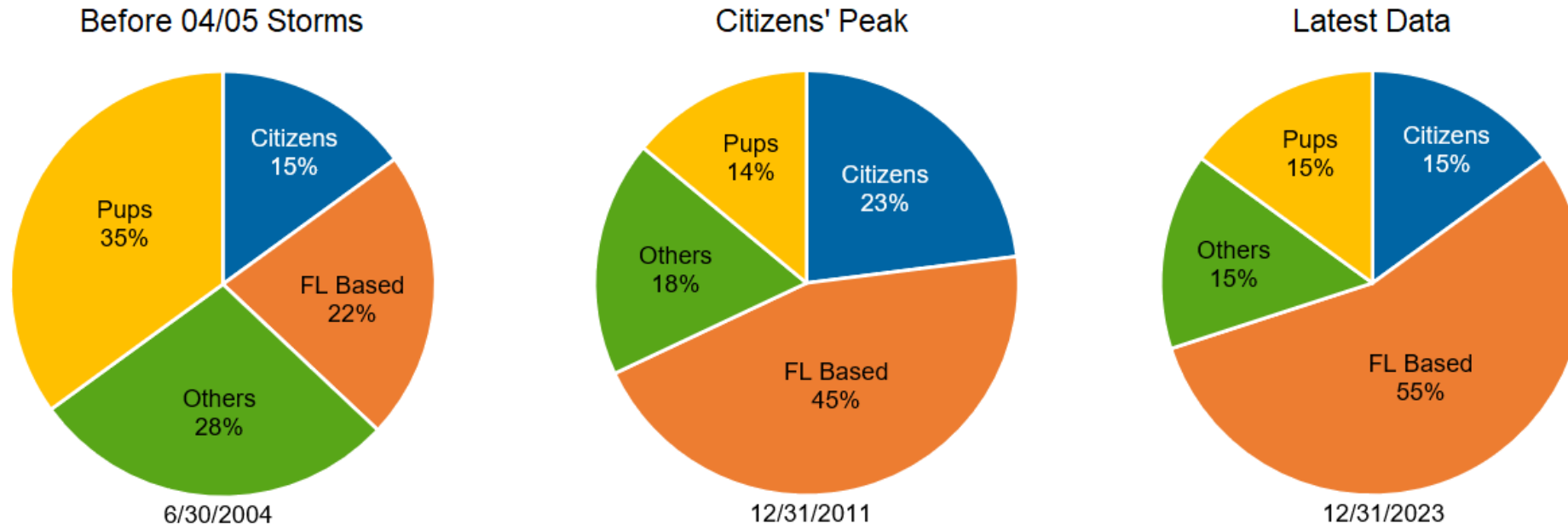
	2019	2020	2021	2022	2023
Underwriting Gain / (Loss)	(\$646,061)	(\$1,485,029)	(\$1,505,423)	(\$1,305,536)	(\$218,663)
Net Income	(\$318,675)	(\$827,940)	(\$1,171,881)	(\$1,115,399)	\$69,141
Surplus	\$4,055,102	\$3,860,653	\$4,123,467	\$4,218,367	\$4,723,182
Direct Written Premium	\$12,059,997	\$13,738,455	\$15,002,410	\$16,149,039	\$17,995,793
Contributed Capital	\$268,749	\$625,976	\$1,314,109	\$1,291,953	\$420,976

Source: S&P Global Market Intelligence



# State of the Market

## FL Residential Property Insurance Market



Pups

FL Based

Others

FL only subsidiaries of major national writers

FL domiciled companies where majority only write in state

National writers

### Notes:

- 1) Includes admitted insurers only
- 2) Based on insured value for policies with wind coverage
- 3) Percentages may not add up to 100% due to rounding
- 4) Source: *Quarterly and Supplemental Reporting System Reports*. FL Office of Insurance Regulation



# Market Financials for Selected Florida Property Insurers

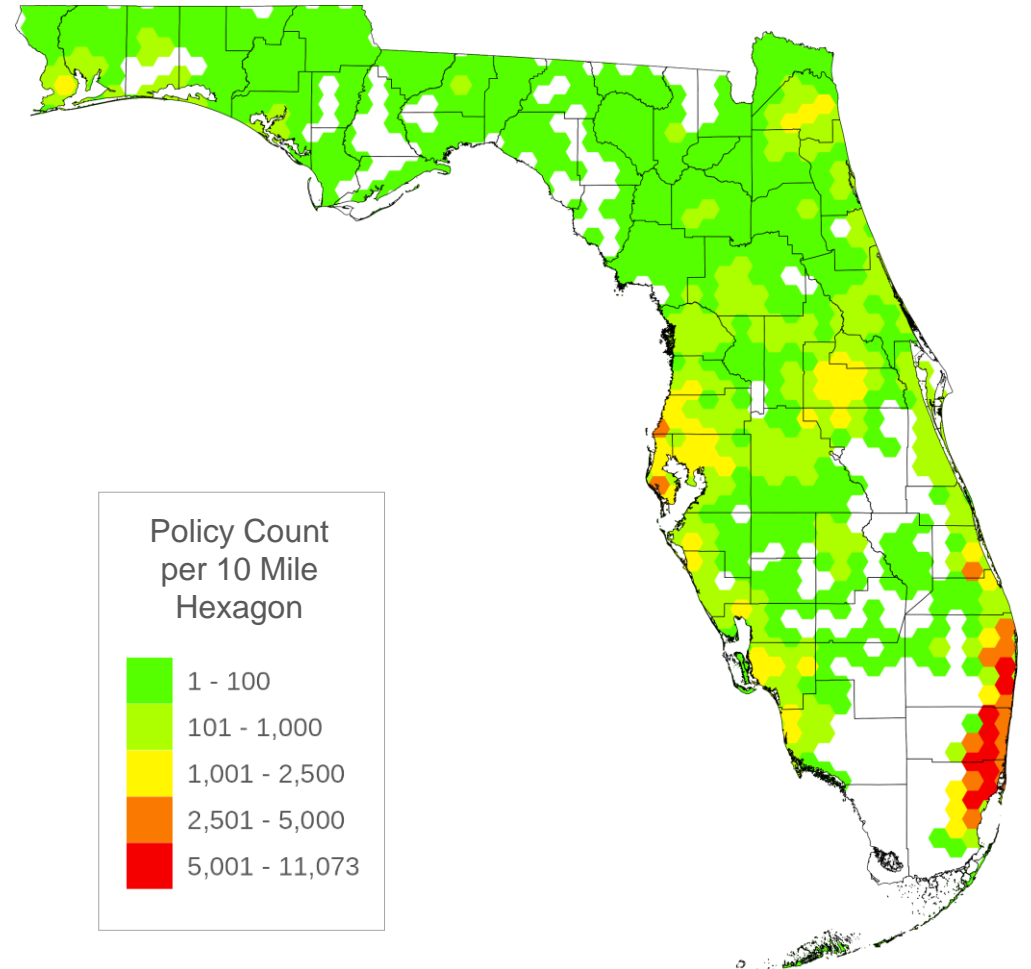
Insolvent Carriers are Included (\$000)

	3Q 2019	3Q 2020	3Q 2021	3Q 2022	3Q 2023
Underwriting Gain / (Loss)	(\$375,273)	(\$1,120,680)	(\$1,205,963)	(\$1,224,936)	(\$545,319)
Net Income	(\$143,243)	(\$633,292)	(\$917,176)	(\$1,046,998)	(\$237,057)
Surplus	\$4,089,404	\$3,723,515	\$3,669,730	\$4,033,117	\$4,197,212
Direct Written Premium	\$9,234,985	\$10,434,942	\$11,495,485	\$12,350,482	\$13,924,935
Contributed Capital	\$125,166	\$200,027	\$649,629	\$1,024,279	\$263,141

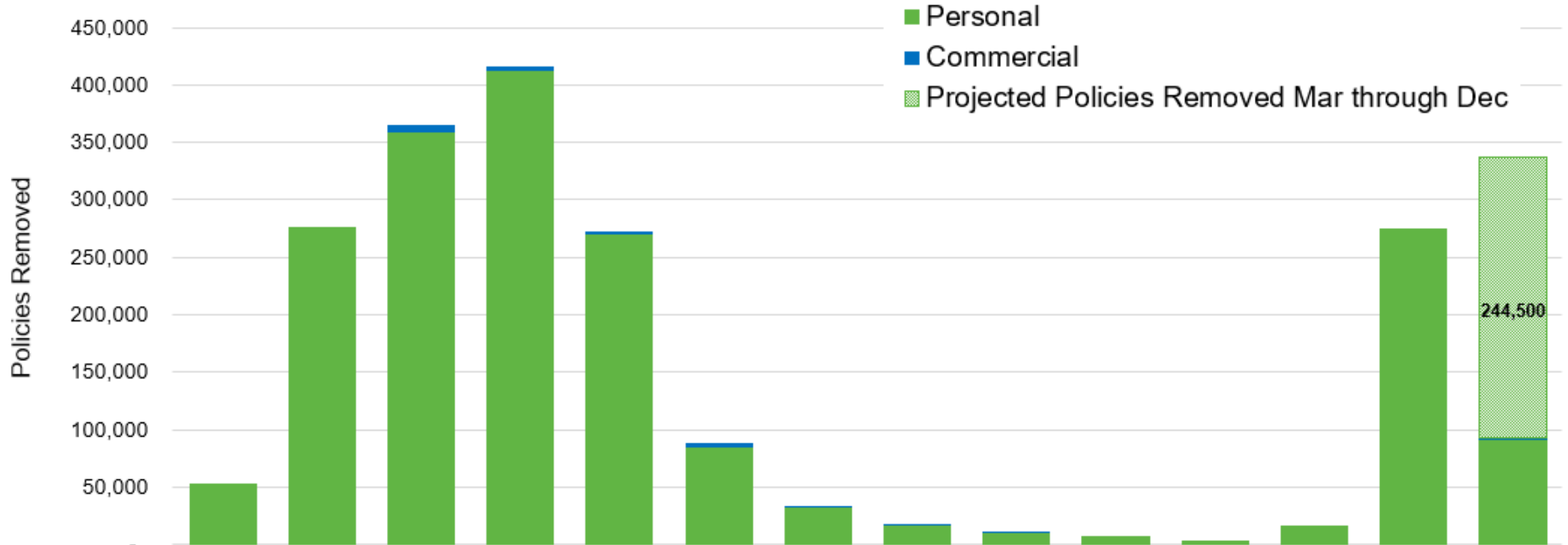
# Depopulation

Policies Assumed in 2023			
Assumption Date	Number Office of Insurance Regulation Approved	*Policyholder Choice Letters Mailed	Number Assumed on Day of Assumption
4/18/2023	20,000	26,335	4,573
6/20/2023	46,218	18,760	17,239
8/22/2023	26,000	27,689	8,836
10/17/2023	184,000	311,310	99,773
11/21/2023	202,399	179,747	92,886
12/19/2023	168,000	86,620	52,017
<b>Total</b>	<b>646,617</b>	<b>650,461</b>	<b>275,324</b>

\*Total letters mailed, one per policy. Multiple offers may be contained in a single mailing



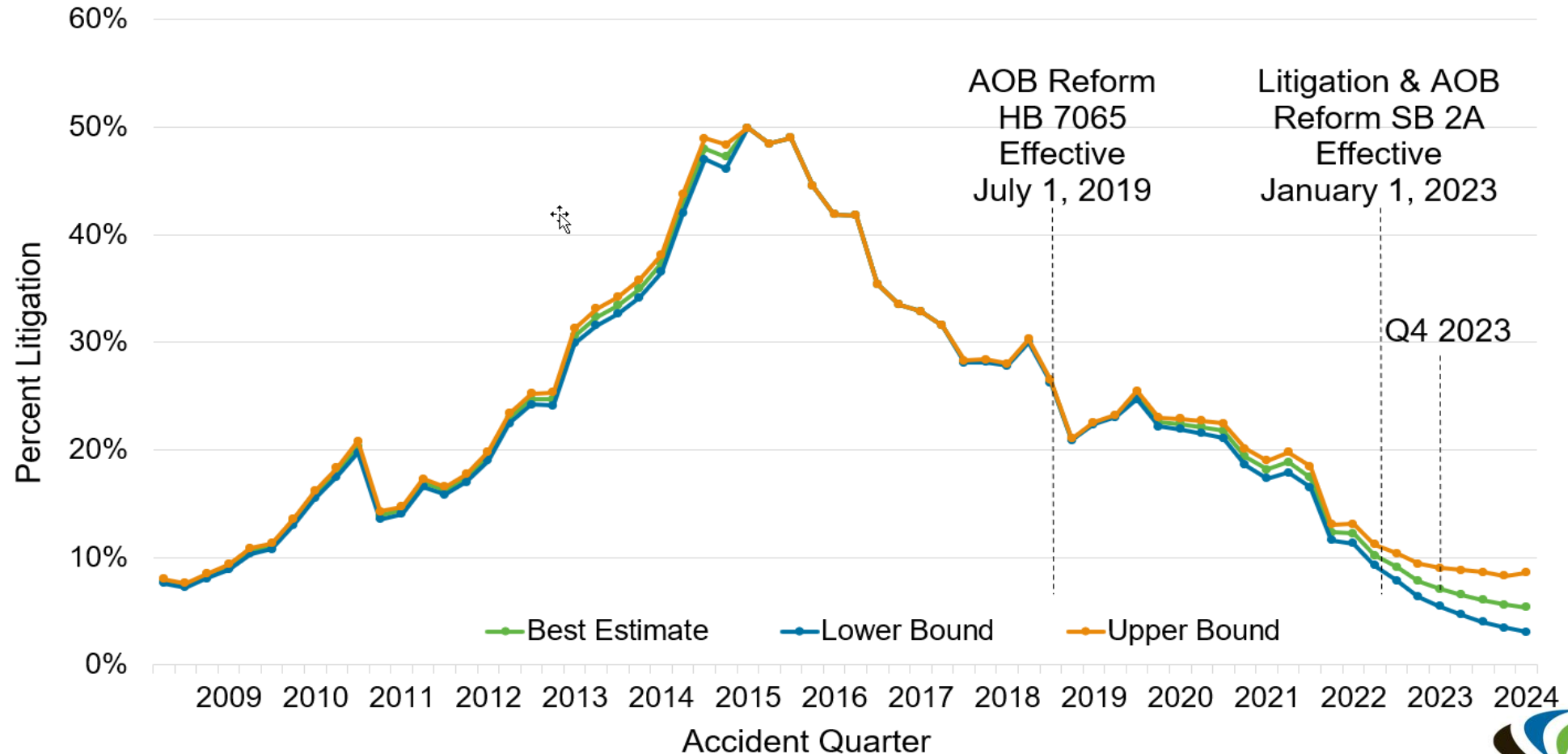
# Historical Depopulation



Removed	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Policies	53,577	277,002	365,767	416,623	272,785	88,000	34,008	17,905	10,084	7,463	2,814	16,408	275,324	92,350
Exposure (in millions)	\$14,474	\$75,927	\$112,265	\$117,530	\$64,830	\$23,363	\$7,435	\$4,308	\$2,181	\$2,497	\$1,027	\$7,174	\$113,375	\$43,903

# Litigation and Assignment of Benefit (AOB) Rates

## Percent Litigated Non-Catastrophe Water Claims HO-3 and DP-3 Policies



# 2024 Legislative Changes

- Limits Citizens' flood insurance eligibility requirement to dwelling policies available through the National Flood Insurance Program. Effective upon becoming law.
- Requires that an agent be appointed with at least 3 admitted carriers to be appointed with Citizens (current law requires 1 appointment in the admitted market).
- Allows Citizens to share data with the National Insurance Crime Bureau (NICB) provided that the NICB maintains the confidentiality of such documents.
- Allows Surplus Lines insurers to participate in Citizens' depopulation program for non-primary residences that are also non-homesteaded properties.
- Allows a residential property owner to cancel a contract to replace or repair a roof without penalty or obligation within a certain timeframe, if the contract was entered into from damage caused by an event subject to a declaration of emergency. requires certain disclosure by the contractor in such contracts.